

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
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AirTouch Paging, Request for Amendment of the  
Commission's Rules to Establish a Dedicated 8XX  
Code for Toll-Free Calls Placed from Pay Telephones

RM No. 9273

### COMMENTS OF MOBILEMEDIA CORPORATION

MobileMedia Corporation ("MobileMedia"),<sup>1</sup> by its attorneys, hereby supports the rule change sought by AirTouch Paging ("AirTouch") in the above-captioned proceeding.<sup>2</sup> In particular, MobileMedia believes that the AirTouch proposal will advance the public interest by giving paging subscribers and payphone customers more service options from which to choose, thereby encouraging the use of the public switched telephone network.

#### I. INTRODUCTION

On April 4, 1998, AirTouch filed a Petition for Rulemaking ("AirTouch Petition") requesting that the Commission dedicate a unique 8XX code, or a range of contiguous numbers within such a code, for toll-free subscribers to place and receive calls from payphones. Under this proposal, the calling party will pay the payphone service provider's ("PSP") local coin rate

<sup>1</sup> MobileMedia is a paging and personal communications service provider serving approximately 3.3 million customers in all fifty states.

<sup>2</sup> FCC Public Notice, "AirTouch Paging, Request for Amendment of the Commission's Rules to Establish a Dedicated 8XX Code for Toll-Free Calls Placed from Pay Telephones," RM No. 9273 (May 6, 1998) ("Notice").

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directly. If AirTouch's plan is implemented, toll-free subscribers will have three ways in which to structure his or her service: (1) subscribe to a traditional toll-free number and incur whatever payphone charges are passed through by the interexchange carrier that supplies the toll-free number; (2) subscribe to a traditional toll-free number, but avoid any passed through charges by blocking calls from payphones; or (3) subscribe to one of the newly proposed, dedicated 8XX numbers, thereby allowing the receipt of payphone-originated calls for which the calling party pays. As described below, because the AirTouch proposal will increase customer choice while still ensuring that PSPs are fairly compensated, it should be enacted as expediently as possible.

## **II. THE AIRTOUCH PROPOSAL, CONSISTENT WITH SECTION 276, WILL GIVE CONSUMERS MORE CHOICES AND ENSURE PAYPHONE SERVICE PROVIDERS ARE FAIRLY COMPENSATED**

Under Section 276 of the Communications Act of 1934, as amended, the Commission is tasked with promulgating a series of regulations governing payphone service that "promote competition among payphone service providers and promote the widespread deployment of payphone services to the general public."<sup>3</sup> In addition, Congress mandated that these rules "ensure that payphone service providers are fairly compensated for each and every completed intrastate and interstate call using their payphone."<sup>4</sup> AirTouch's proposal effectuates both of these policy goals.

First, the instant proposal is pro-competitive and encourages the general public to use payphones. Under the current regulatory regime, the Commission's "carrier pays" plan has

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<sup>3</sup> 47 U.S.C. § 276(b)(1).

<sup>4</sup> 47 U.S.C. § 276(b)(1)(A).

allowed interexchange carriers to pass whatever amounts they remit to PSPs through to their toll-free number customers, including paging providers.<sup>5</sup> Given the highly competitive nature of the messaging marketplace, paging providers had no choice but to recover these payphone costs from *their* customers. Consequently, as a result of these cost pass-throughs, the paging industry generally has two choices: (1) allow customers to continue to pay for payphone-originated calls on an estimated basis; or (2) block all payphone-initiated calls.

By providing a third option under which the calling party can choose to pay for payphone-initiated pages, AirTouch's plan will encourage paging customers that have toll-free number service not to block payphone-originated calls to their pagers. Therefore, this proposal is pro-competitive and pro-consumer because it provides telecommunications customers with an additional service option. In addition, this proposal will discourage the blocking of payphone-initiated calls. Because such call blocking decreases the use of the public switched network in general, and payphones in particular, it is inconsistent with the traditional policy of encouraging such use and the purpose of Section 276.

The instant plan will clearly benefit MobileMedia and its customers as well as all other messaging service providers and their customers. In particular, MobileMedia has over 500,000 paging customers that utilize toll-free numbers. Thus, these one-half million American consumers will have an additional choice of how they want their personal wireless services to be configured. Other messaging service providers will similarly be able to offer their customers this additional service option.

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<sup>5</sup> *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996* (Order on Reconsideration), 11 FCC Rcd 21233, ¶ 90 (1996) ("Payphone Order").

In addition, AirTouch's proposal will ensure that payphone service providers are compensated for each and every call. In its *Payphone Order*, the Commission made a policy decision to enact a "carrier pays" compensation scheme because "it places the payment obligation on the primary economic beneficiary in the least burdensome, most cost effective manner."<sup>6</sup> This particular result was not mandated by Section 276, which makes no mention of which party—the calling party or the called party—should be responsible for compensating PSPs. Therefore, while a "carrier pays" rule might be adequate for standard toll-free calls made from payphones, the Commission is under no statutory obligation to apply its "carrier pays" rule under every set of factual circumstances, provided the payphone provider is fairly compensated.

AirTouch has made a persuasive showing that for a certain class of payphone-initiated toll-free calls, a calling party pays approach is in the public interest. Critically, because a special series of 8XX numbers will be set aside for these calls, the calling party should know that he or she will be required to pay for the call, and can choose not to place the call if he or she does not want to undertake that financial burden.<sup>7</sup> Thus, AirTouch's proposal creates a calling environment that is consistent with consumer expectations. In addition, the called party, or paging subscriber, will have the opportunity to choose whether to pay for payphone-initiated toll-free pages, or require the paging party to do so. As noted above, this additional service option will increase payphone use and competition.

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<sup>6</sup> *Payphone Order*, ¶ 88.

<sup>7</sup> If any caller is not aware of the unique nature of these numbers before he or she places a call, he or she will be informed that a coin deposit is required after dialing the number. AirTouch Petition at 8 n.20.

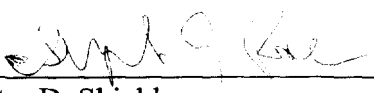
Finally, the AirTouch proposal will not have an adverse impact on the supply of toll-free numbers. AirTouch has made it clear that it will not request, and its proposal does not require, an entire 8XX code if there is not sufficient demand for these special toll-free numbers.<sup>8</sup> By only using the quantity of toll-free numbers it needs, the paging industry will conserve valuable numbering resources while still providing the public with an innovative and necessary service.

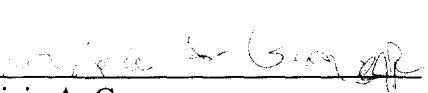
### III. CONCLUSION

In order to offer paging customers a greater variety of service options, encourage the use of payphones and the public switched network, and fairly compensate payphone service providers, the Commission should grant the relief sought by AirTouch.

Respectfully submitted,

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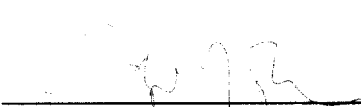
June 5, 1998

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of June, 1998, I caused copies of the foregoing  
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